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SECOND UNITED NATIONS CONFERENCE ON THE LEAST DEVELOPED COUNTRIES:

Preparatory process for the Conference

Development progress and problems in the LDCs and their implications for the 1990s

Contribution by the Department of International
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DEVELOPMENT PROGRESS AND PROBLEMS IN THE LEAST DEVELOPED COUNTRIES AND THEIR IMPLICATIONS FOR THE 1990s

This paper summarizes the long-term development experience of the least developed countries, presents a baseline scenario of their possible evolution in the 1990s and attempts to identify some of the main constraints to development in these countries.

The experience of the least developed countries during the last 30 years is examined in five key areas: (1) long-term growth trends and improvements in raising levels of living; (2) changes to structures of production and the promotion of industrial activities; (3) the development of their human resources and skills; (4) mobilizing resources for capital formation and raising rates of national saving; and (5) trends in their exports and imports and the inflow of external resources.

Although the paper focuses on the experience of the least developed countries, it also includes references and data relating to the group of developing countries as a whole. In this regard, it should be noted that a considerable margin of error surrounds all economic statistics, particularly those for gross domestic product and its detail, where the achievement of a high degree of accuracy requires a highly developed national statistical organization, a requirement which is beyond the financial and physical resources of many least developed countries. Estimates for many least developed countries therefore tend to be based on incomplete or unreliable information and are subject to discontinuities and frequent revision. In general, consumption, investment, and output originating on the farm, especially in the subsistence sector, tend to be underestimated, and because of sharp disparities in the price and wage structure between the subsistence and market sectors, they also tend to be undervalued. Similar under-estimation and under-valuation occurs in the traditional handicraft

sector which is rarely integrated into the market. Given the magnitude of the farm and handicraft sectors in least developed countries, this under-estimation and under-valuation also affect the GDP total and per capita estimates.

Cross-country comparisons suffer from the failure of the exchange rate to reflect with adequate accuracy the relative purchasing power over domestic goods and services among countries. Recent studies have shown that in low per capita income countries, the exchange rate may understate purchasing power parity by a factor of three. The problems of exchange rate conversions are compounded by regimes of floating and/or adjustable rates. As a result of large changes in exchange rates, exchange rate conversions for adjacent years sometimes show substantial changes in relative gross domestic products between pairs of countries when no such real change has actually occurred.

Although considerable effort has been made to standardize these data both in terms of their temporal comparability and in their conformity with accepted statistical definitions, full comparability is not possible due to weaknesses in the original data and deficiencies inherent in the method used to convert them into a common currency. For this reason, data presented in this paper should be interpreted with due regard for the approximate nature of much of the underlying basic data as well as the preliminary nature of estimates for the latest three years.

Economic Growth and Standards of Living

The aspirations of the least developed countries for economic growth, as reflected in their development plans, have been on the order of 6 to 7 per cent on average each year. Similarly, target rates of growth for the low income countries in the United Nations Development Decades were specified to be the same as those for other developing countries, i.e. 5-7 per cent per annum. Such growth would have led to an increase in their per capita incomes of around 3 to 4 per cent a year.

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Table 1. Growth of production, population and per capita product in the least developed countries, 1961-1990 a/

Region	1961-1970 GDP	1961-1970 Popu-lation	1961-1970 GDP/ capita	1971-1980 GDP	1971-1980 Popu-lation	1971-1980 GDP/ capita	1981-1990 GDP	1981-1990 Popu-lation	1981-1990 GDP/ capita
African	3.8	2.4	1.4	1.9	2.6	-0.6	1.8	2.9	-0.6
Asian	3.1	2.4	0.8	3.5	2.6	0.7	3.8	2.5	1.3
All LDCs	3.5	2.4	1.1	2.4	2.6	-0.2	2.4	2.7	-0.3
All DCs	5.9	2.5	3.3	4.8	2.5	2.4	2.4	2.3	0.1

Source: Annex Table 1.

a/ Average annual rate of growth of gross domestic product measured in 1980 prices and exchange rates.

Contrary to these hopes and aspirations, Table 1 indicates that over the entire period reviewed here, the growth of the least developed countries has been slow in comparison with other developing countries and, given their high rate of population growth, insufficient to improve living standards. There was even a tendency for economic growth in many least developed countries to stagnate below the rate of population increase. During the decade of the 1960s, for example, when growth in the world economy was buoyant and the developing countries grew at an average rate of 5.9 per cent a year, output in the least developed countries rose on average only 3 1/2 per cent annually. Although this was significantly below their expectations, as a group the least developed countries recorded a rise in their per capita gross domestic product during this decade of more than 1 per cent annually. In the case of African least developed countries, per capita increase was almost 1 1/2 per cent annually.

The performance of the world economy, which had already declined in the 1970s, worsened further in the 1980s as great disparities and imbalances arose among and within countries. Global inflation subsided early in the 1980s, and the pace of economic growth in the developed market economies recovered from a steep recession, but currency misalignments, internal imbalances and balance of payments disequilibria continued to describe the international economy. A prolonged economic slowdown has taken place in many developing country regions, and high unemployment and underemployment, low commodity prices, high interest rates, and pressing external debts set back the development efforts of some countries. In South-East Asia, on the other hand, economic growth refrained rapid.

For the least developed countries, particularly those in Africa, these years have been difficult. The rate of growth of gross domestic product in the African region, which was less than 2 per cent a year during the 1970s, has not improved in the 1980s, and per capita incomes in the region continued to fall in response to natural calamities, regional conflicts and a general deterioration in the economic environment for growth. Consequently, the absolute level of per capita income in the African countries, which was below those prevailing in other groups of developing countries at the start of the

Table 2. Distribution of growth of per capita product during the Development Decades, 1961-1990 a/

Range of average annual rate of growth GDP per capita	1961-1970	1971-1980	1981-1990
More than 5 per cent	4	2	1
Between 4 and 5 per cent	2	0	1
Between 3 and 4 per cent	4	2	0
Between 2 and 3 per cent	7	2	2
Between 1 and 2 per cent	3	4	4
Between 0 and 1 per cent	3	8	3
Less than 0 per cent	9	14	21

Source: Annex Table 1.

a/ Number of countries recording average annual growth rates of per capita gross domestic product measured in 1980 prices and exchange rates classified by period and growth rate magnitude.

decade, declined further during these years. In contrast, growth in Asian least developed countries improved and their economic growth and increase in per capita GDP exceeded that of developing countries overall.

The slow growth in least developed countries in the decades since 1960 masks wide differences among individual countries (see Table 2 and Annex Table 1). Over the entire period reviewed here output per capita rose faster than 1 per cent a year in only 9 of the 32 countries for which data are available. Table 2 shows that the distribution of per capita income growth among the least developed countries has worsened over time. During the 1960s the distribution varied widely among the least developed countries but in the later decades it narrowed and fell. Assuming present forecasts, the real per capita product of African least developed countries will have declined since 1960, and average product per person in Asian least developed countries will have risen significantly less than that of higher income developing countries. In sum, in the majority of the least developed countries during the last thirty years economic growth has been either stagnant or negative and the development decades have been years of economic decline and growing disparities rather than expansion and advance.

The most disturbing aspects of this disappointing record is the negligible improvement the standard of living. Table 3 presents indicators on the absolute and relative position of the least developed countries with respect to some key aspects of the economic and social situations at the start of the Development Decades and at the end of the Third Development Decade. The broad picture presented is one of widening economic and social disparities between the least developed countries and the rest of the developing world. Per capita incomes in the least developed countries, which were about 40 per cent of the developing country average in 1960, have declined to less than one-quarter of those in the group of developing countries as a whole.

Slow economic growth obstruct efforts to improve essential social services, even those, such as better health, nutrition, and education, which raise efficiency and skills and growth performance. Past efforts to improve nutrition and health have risen average life expectancy at birth in the least

Table 3. Standard of living indicators for least developed country regions, 1960 and 1990

Region	Per capita gross domestic product (1980 US $)		Life expectancy at birth (years)		Infant mortality rates (age 0-1)	
	1960	1990	1960-65	1985-90	1960-65	1985-90
African	298	285	39	47	171	129
Asian	145	191	40	51	162	117
All LDCs	227	241	40	49	167	124
All DCs	556	978	47	58	142	90

Source: Annex Table 2.

developed countries over the course of the last three decades, there still remains a wide gap between the least developed countries and the rest of the world. Low life expectancy is associated with high infant mortality, poor sanitation and inadequate health facilities. While infant mortality rates in the least developed countries of Africa have declined significantly over the period reviewed here, they nonetheless average, with few exceptions, well above 100 per 1000 live births. Corresponding averages for other groups of developing countries are significantly below this figure, and for the developed market economies average less than 15.

Physical Production and Infrastructure

By its very nature, rapid economic growth proceeds through a transformation of economic structure. Modern economic development transforms rapidly rural and traditional suppliers of primary products and handicraft items into urban and commercially-oriented producers of goods and services for market. Reflecting this transformation, contrasting national programmes and the International Development Strategies indicated targets for the growth of production in different lines of economic activity. These rates were particularly high for manufacturing.

However, economic development and structural change has been slow or non-existent in the least developed countries during the years since 1960 (Table 4). Agriculture, where the impact of structural change is normally the greatest during early stages of development, registered little or no gain. In fact, agricultural product per capita would seem to have declined in most of the least developed countries and to have grown only slowly in many others. Of the 32 countries for which comparable data are available only 6 -- Cape Verde, Djibouti, Myanmar, Rwanda, Gambia and Malawi -- recorded increases of 3 per cent or more in their gross real agricultural value-added. Five other countries recorded a rate of growth of agricultural product of between 2 and 3 per cent, roughly corresponding to their population growth. In other least developed countries, no positive structural change took place in the agricultural sector.

Table 4. Growth of gross domestic product originating in the different sectors of economic activity of the least developed countries, 1970-1987 a/

Region	Agri-culture	Mining & Quarrying	Manu-facturing	Utilities	Constru-tion	Services	GDP
All LDCs	1.1	4.8	1.9	4.9	3.6	3.7	2.2
All DCs	2.2	-0.2	5.2	7.9	4.2	4.8	3.9

Source: Annex Table 3.

a/ Average annual rate of growth of gross domestic product originating in the main producing sectors measured in 1980 prices and exchange rates.

The failure of agriculture to grow rapidly had very adverse consequences. Agriculture remains the preponderant source of incomes and employment in the least developed countries (see Annex Table 4), and slow growth in agriculture automatically translates into slow growth for the economy as a whole. Slow growth in agriculture, moreover, is transmitted to other sectors and constrains their growth as well. As a result of the strong forward and backward linkages between agriculture and the rest of the economy, the small and largely agro-based manufacturing capacity of the least developed countries was impeded in its growth by erratic supplies of agricultural raw materials and unstable demands from the farm sector for domestically produced industrial goods.

As agriculture is the sector where the most serious problems of poverty and backwardness are concentrated, slow progress in this sector has meant rising food shortages. The famine in sub-Saharan Africa, while aggravated by drought and intensified by problems of strife and food distribution, has its roots in long-term neglect of this sector.

With its possibilities for steady expansion adversely affected by the poor performance of agriculture, growth in the manufacturing sector was far below the rapid rates expected. Only 10 of the 32 least developed countries for which long-term data are available recorded an annual average growth rate of manufacturing equal to or greater than 5 per cent during the Development Decades, and all of those had a small manufacturing base to start with.

In countries where mining activity is important and exports of ores and metals have expanded rapidly, the external sector has provided foreign exchange for imports of materials and equipment as well as for the purchasing power supporting growth.

In addition to indicating the predominant role of agriculture Table 5 also sheds light on the nature and extent of structural change in the least developed countries. Manufacturing production was expected to advance much faster than agriculture. Although productivity growth and structural change

Table 5. Shares of major producing sectors in the gross domestic product in economic activity of the least developed countries, 1960-1987 a/

Region	Agri-culture		Mining & Quarrying		Manu-facturing		Utilities		Construc-tion		Services	
	1960	1987	1960	1987	1960	1987	1960	1987	1960	1987	1960	1987
All LDCs	57.4	42.4	0.8	2.4	5.7	8.4	0.7	1.1	3.0	4.5	32.4	41.2
All DCs	31.5	16.0	3.9	5.7	16.8	21.0	1.0	2.4	4.9	5.8	42.0	49.1

Source: Annex Table 4.

a/ Percentage share of gross domestic product originating in the major producing sectors in total gross domestic product, measured in current prices and exchange rates.

Table 6. Indicators of physical productive infrastructure in the least developed countries, 1960-1987

Region	Utilities: Instal. electric capacity (1000KW) 1986	Communications: Telephones per 1000 population 1986
All LDCs	16	2.7
All DCs	147	19.4

Source: Annex Table 5.

can be rapid in agriculture, over the longer term, income generated and labour employed in agriculture tends to fall as a proportion of total output and employment.

Measured by the changing proportions of output originating in the major economic sectors, the process of structural change was slow or non-existent in most least developed countries (see Annex Table 4). A decline in the agricultural sector, like that taking place in other developing countries, was to have been expected. Instead, the share of agriculture in GDP remained above 40 per cent in over half of the least developed countries and it rose in a number of them. Little increase in the importance of industry in general and manufacturing in particular can be seen in the data. In countries where the share of agriculture did fall noticeably, it has been a consequence of deteriorating agricultural performance rather than the successful development of industry and manufacturing.

Some idea of the state of the physical infrastructure supporting production in least developed countries toward the end of the 1980s can be seen in Table 6. Transport problems in least developed countries involve inadequately developed road, rail and air networks, restricted and costly port services, many of these countries are also land-locked or small islands. Facilities for supplying energy and communications remain inadequate and unreliable. The lack of basic physical infrastructure and of the skills required to maintain them is a major bottleneck to expanding production.

Human Resources and Skills

Another aspect of the situation of the least developed countries which has contributed to their disappointing performance is their population dynamics. Present rates of population increase range from 2.5 to almost 4 per cent a year, which doubles populations in the span of one generation. This raises many problems which inhibit the ability of governments to attain their development objectives: higher population densities and overcrowding, an age-structure with a high dependency ratio, large increments added to the work force each year, etc.

Table 7. Indicators of human resources and skills of the least developed countries, 1960-1985

Region	Dependency ratio 1960	Dependency ratio 1985	Adult literacy rate a/ 1970	Adult literacy rate a/ 1985
African LDCs	87.2	96.0		
Asian LDCs	80.1	83.6		
All LDCs	83.5	89.5	18	37
All DCs	81.7	75.5	43	57

Source: Annex Table 6.

a/ Average of rates for males and females.

Human resource development problems of a longer-term nature include high and persistent levels of illiteracy. School enrollment ratios are low, particularly at the more advanced levels, and there is lack of trained personnel and skills in all occupational categories. Low levels of key instructional inputs such as textbooks, teacher's guides and other learning materials hamper education, and a lack of resources for expansion limits the further extension of educational opportunities. Data in Annex Table 7 show that the secondary school enrollment rates of least developed countries are generally below 50 per cent. In many countries only a little over one-third of all children between 6 and 11 years of age attend school. Most of those who attend are boys. A heavy reliance on expatriates in the trade and other service sectors and in the area of industrial management is also a reflection of this situation.

Mobilization of Real and Financial Resources

More capital formation is necessary for faster economic growth and structural change. This involves not only new plant, equipment, housing, roads, communications and other components of fixed capital supporting material production, but also new schools and health facilities leading to a more productive labour force and an improvement in standards of living. Countries that have been able to mobilize additional resources for investment and use them effectively to create new productive capacity have succeeded in accelerating their growth. Similarly, countries that achieve faster growth generally have succeeded in raising their levels of savings in support of their increased investment activity.

Tables 8 and 9 assemble historical estimates relating to investment effort, investment efficiency, and saving rates of least developed countries as well as the average for all developing countries taken together. From these tables it can be seen that resource allocation changes in least developed countries as well as other developing countries have moved in direction supportive of faster growth, with the share of resources devoted to capital formation increasing markedly over the three decades. African least

Table 8. Investment effort and investment efficiency in the least developed countries, 1960-1987

Region	Share of capital formation in gross domestic product a/				Incremental capital-output ratio b/		
	1960	1970	1980	1987	1961-70	1971-80	1981-87
African	9.7	14.6	15.9	16.2	3.4	7.9	12.2
Asian	13.3	17.1	17.6	18.6	5.8	4.0	5.0
All LDCs	10.6	15.2	16.5	17.1	4.1	6.1	6.1
All DCs	17.3	18.6	25.6	21.4	3.0	4.7	9.1

Source: Office for Development Research and Policy Analysis of the United Nations Secretariat.

a/ Percentage share of gross domestic capital formation in total gross domestic product measured in 1980 prices and exchange rates.

b/ Number of units of investment expenditure associated with a $1 increase in gross domestic product, measured in 1980 U.S. dollars.

developed countries raised their rate of investment from less than 10 per cent of their GDP in 1960 to over 16 per cent in 1987. In the Asian least developed countries the average share of capital formation exceeded 18 1/2 per cent in 1987. While increase in investment effort by the least developed countries would appear to be a sustained one, their rate of capital formation remains lower than that of other developing countries. Also, since investment outlays per person in the least developed countries are far below those of higher income developing countries, the actual volume of productive capacity being created is relatively small.

The productivity of the resources mobilized for capital formation and the efficient use of the capital stock are reflected in the incremental capital-output ratio (ICOR). An ICOR measures the number of units of investment expenditure associated with a one unit increase in output, and will be lower in those countries which utilize their investment resources most effectively in generating growth. Estimates for investment shares and ICORs, measured in constant 1980 prices and exchange rates, are given in Table 8. (Shares in this table may differ from those in Annex Table 7, where shares are measured in current prices, because of changes over time in the relative price of consumer to capital goods and in the weights used when aggregating countries into region totals).

During the 1960s and early 1970s, when investment effort was rising in the world economy and the growth of international trade was strong, ICORs were almost uniformly low in all main regions of the world. In the least developed countries, it took on average about $4 of investment expenditure to increase aggregate production by $1 (see Table 9). The steep increases in the ICORs for African least developed countries in the 1970s and 1980s reflect the fact that output responded less and less to continued investment. Country studies suggest that there were many causes for this decline in investment productivity: general economic dislocation, severe foreign exchange shortages, low capacity utilization due to lack of demand or imported inputs and spare parts, etc. The low investment rates recorded in some countries suggest that little, if any, actual net capital formation was taking place.

Table 9. Saving and external resource ratios in the least developed countries, 1960-1987 a/

Region	Share of national saving in gross domestic product				Share of external saving in gross domestic product			
	1960	1970	1980	1987	1960	1970	1980	1987
African	6.8	11.1	3.5	2.8	-3.6	-4.0	-12.5	-11.8
Asian	3.1	3.9	7.5	6.9	-5.6	-5.4	-10.0	-7.2
All LDCs	5.1	7.5	4.7	4.5	-4.5	-4.7	-11.7	-10.0
All DCs	15.8	18.5	26.1	21.0	-3.3	-2.8	0.5	-1.8

Source: Office for Development Research and Policy Analysis of the United Nations Secretariat.

a/ Percentage shares of gross national saving and net foreign inflows in total gross domestic product measured in current prices and exchange rates.

Whatever the reasons, these countries investment more but benefittted less from it, and growth rates dwindled.

Progress with regard to raising the rate of national saving in the least developed countries has been mixed to poor. Saving performance by the least developed countries improved during the 1960s, especially in Africa, although not sufficiently to finance their growing levels of investment. Saving rates have declined in African least developed countries since 1970, however, and are now lower than in 1960. In the case of Asian least developed countries, saving rates rose during the 1960s and 1970s, but declined somewhat during the 1980s. One reason for this decline in saving performance can be traced to agriculture. Without a surplus in agriculture, saving is difficult as incomes are spent to maintain food consumption, often through increased imports of food at high international prices. Per capita food output declined in many African countries in the 1970s and 1980s, leading to large imports of food.

Although many least developed countries planned to reduce the net inflow of external resources as a share in their gross domestic product, in 24 of the 31 countries for which data are available their relative dependence has increased. Since agricultural products loom large in both the exports of the least developed countries and in their domestic consumption, slow agricultural growth meant both lower export earnings and higher import payments. Moreover, as discussed below, export proceeds grew slowly and were extremely unstable, especially after 1973, which disrupted production and led to fluctuations in the capacity to import. The external position deteriorated.

In the African least developed countries the net inflow of foreign resources as a percentage of their combined gross domestic products rose from 4 1/2 per cent in 1960 to 10 per cent in 1987, with foreign assistance financing a substantial proportion of imports in many countries. This capital inflow accounted for the financing of 80 per cent of their capital formation from 1981 to 1984. A recovery in the growth of exports from the least developed countries after 1985 has helped reduce their reliance on external resources, but they remain heavily dependent on external assistance.

International Trade and Payments

It is on the hope for a steady expansion of world trade that most least developed countries have placed their hopes for a stable external demand for their exports and steady supply of imported machinery, equipment and other producer goods required for the growth of their productive capacity. Moreover, it was their expectation that as their development proceeded the commodity composition of their exports and imports would be diversified in line with their growing production capabilities.

From the early 1960s to the mid 1970s the volume of world trade grew by an average of more than 8 per cent per annum; as the 1970s came to an end, however, its tempo had declined markedly, and, during the early 1980s, the growth of world trade slowed less than 1 per cent a year; finally, after 1983, world trade volume accelerated once again (see Table 10).

This was due mainly to the events in developed marked economy countries. In response to substantial reductions in tariff barriers and propitious conditions for domestic economic growth, their exports and imports expanded rapidly until the early years of the 1970s. After the early 1970s, slower growth, inflation, unemployment, fluctuations and external imbalances hindered the adjustment process and gave rise to defensive measures. As export growth slowed and the terms of trade of these countries worsened, so too did their capacity to sustain past rates of import absorption, at once re-enforcing the downward tendencies already at work and setting in motion a difficult process of world-wide structural adjustment that continues to this day. A revival of trade, centred in the economically advanced countries, has taken place since the mid-1980s.

The adverse international economic climate since the mid 1970s and weaknesses in the domestic sector of many least developed countries led to a substantial deterioration in their export performance and import capacity. During the 1960s, exports from African least developed countries expanded at a rate of 6 per cent per annum. In contrast, in the 1970s this pace fell to

Table 10. Growth of export volume, purchasing power of exports, and import volume in the least developed countries, 1961-1987 a/

Region	1961-1970 Expts	1961-1970 Pur Power of Expt	1961-1970 Impts	1971-1980 Expts	1971-1980 Pur Power of Expt	1971-1980 Impts	1981-1987 Expts	1981-1987 Pur power of Expt	1981-1987 Impts
African	6.5	5.7	5.8	1.7	-0.7	3.6	5.4	13.0	9.2
Asian	-3.7	-4.4	-1.6	6.1	7.9	9.2	7.4	3.4	5.2
All LDCs	4.1	3.7	4.4	2.6	1.6	4.9	5.6	11.0	7.7
All DCs	8.0	6.3	6.0	3.2	9.8	9.2	2.4	1.4	1.6
World	8.1	8.3	8.2	5.3	5.4	5.7	3.6	4.3	4.0

Source: Annex Table 8.

a/ Average annual rates of growth of exports of goods and non-factor services, the purchasing power of exports of goods and non-factor services, and imports of goods and non-factor services measured in 1980 prices and exchange rates.

less than 2 per cent a year. Finally, after 1980 the volume of exports of African least developed countries recovered, but very unevenly as a few African least developed countries, notably Botswana, Lesotho and Rwanda, were able to expand their export volumes at a rate greater than 8 per cent a year. A greater number of countries, however, had declining export volumes, and others experienced only slow export growth. Part of the export volume shortfalls can be traced to slow growth in world demand for primary products exported by developing least developed countries. More important, however, was a decline in the market share of these countries for their major exports.

Weaknesses in the external sector were reenforced by the fact that the purchasing power of the exports of many of these countries grew even slower than their volume. Adverse trends in the terms of trade of these least developed countries reduced their import capacity further in the 1960s as net losses from changes in the terms of trade were recorded in 11 least developed countries. This number rose to 24 in the 1970s, and 17 countries registered net terms of trade losses during the years from 1981 to 1987. During this latter period, 15 countries registered absolute declines in the purchasing power of their exports. As a result, real per capita income rose even less than the rates shown in Table 1 for the average annual increase in their per capita product. Because the least developed countries are precisely those characterized by economic circumstances least favourble to a policy of internal development, the severe deterioration in their terms of trade has gravely affected their ability to finance imports necessary to sustain production and increase capacity.

Challenges for the 1990s

This section briefly examines the possible evolution of the least developed countries during the decade of the 1990s on the basis of a baseline scenario extrapolating long-term trends in their development.

The examination is based on a set of long-term projections of economic growth, using the Global Econometric Model maintained by the Secretariat for long-term projections purposes. This model projects trends in aggregate

economic activity on the basis of a Harrod-Domar production function, and uses as key parameters determining the projected rate of growth of gross domestic product the average expected share of investment in GDP and an assumed future value for the incremental capital-output ratio. In this approach, a country's potential productive capacity is determined by both the expected investment effort in the future and its anticipated productivity. Once the projected trend in gross domestic product under specified assumptions is determined, a model of income distribution has been used to estimate levels of per capita GDP by income group corresponding to the scenario under study.

Investment ratios and investment efficiency standards in a number of individual least developed countries and composite groupings of these countries have been used to study the possible evolution of their economies during the 1990s. The experiences of these countries over two periods, 1970-1990 and 1975-1990, were selected as a reasonably long time period for estimating average investment shares and ICORs for the 30 countries for which data are available.

In the baseline projection of extrapolated trends for the 1990s each least developed country or sub-region is assumed to restore its ICOR to the more efficient level of the 1970-1990 period but continue to invest the same ratio of GDP as in the 1975-1990 period. This assumption leads to a projected rate of economic growth of 3.2 per cent a year for the group of all least developed countries taken together (see Table 11). Growth in the Asian least developed region is projected to be substantially higher than in the African region.

Under this scenario population is projected to grow faster than GDP in Haiti and in African least developed countries, and, consequently, their per capita GDP is projected to decrease over the course of the next decade (Table 12). Moreover, although per capita GDP is projected to grow in Asia, it is increasing at an average rate of only 2 per cent per year, a pace about equal to the long-term average recorded by the group of developing countries as a whole. These projections thus indicate that the group of least developed countries, but will become increasingly poor, or, at best, maintain their

Table 11. Historical determinants of economic growth and projected rates of growth for the 1990s in the least developed countries

a. Parameter estimation period

	1970-1990			1975-1990		
	Growth Rate	Investment Share	ICOR	Growth Rate	Investment Share	ICOR
African LDCs	2.4	16.3	6.7	1.8	17.5	9.9
Asian LDC	4.2	17.0	4.0	3.7	17.8	4.8
Haiti	1.5	16.1	10.4	0.5	17.9	37.5
All LDCs	3.1	16.7	5.4	2.5	17.5	7.0

b. Baseline scenario

	Growth Rate	Investment Share	ICOR
African least developed countries	2.6	17.5	6.7
Asian least developed countries	4.5	17.8	4.0
Haiti	1.7	17.9	10.4
All least developed countries	3.2	17.5	5.4

Source: Office for Development Research and Policy Analysis.

relative position, if present and past trends to continue unchanged through the end of the century.

The deteriorating circumstances in the late 1970s and early 1980s compelled many least developed countries to adopt macroeconomic reform programmes designed to correct long-standing structural weaknesses in their economies. Among the focus of the reforms are overvalued exchange rates, agricultural pricing and marketing practices, administered prices, subsidized credits, and weak public sector managment and finances. Among the changes in the external sector that would improve the long-term outlook for these countries are higher prices for their exports and a more stable demand for these exports. Needless to say, a continuation of the drought and prolonged wars that have plagued some of these countries could lead to even lower growth rates.

Some idea of the pervasive poverty in the least developed countries may be gained from projections for their size distribution of income. Using household sample survey data for nine of these countries, accounting for 60 per cent of the total population of the group, a combined size distribution of income was estimated for the nine countries in 1990. Under the hypothesis that this distribution applies to the entire group of least developed countries and that it will remain unchanged to the year 2000, the GDP per capita projected under the baseline scenario has been further allocated to deciles of the population projected for this latter year.

It can be seen in Table 13 that although the GDP per capita is projected to be $241 under the baseline, seven deciles of population in each of those scenarios falls below this summary average. In this scenario, 60 per cent of the population are likely to have a per capita income of less than $200 and 20 per cent less than $100. The upper three deciles, representing 30 per cent of the population, would have 60 per cent of the income, leaving only 40 per cent of the income for the poorer 70 per cent of the population. In contrast, the richest 10 per cent of the population would have an income of $851 per capita in 2000. This is nearly fifteen times the per capita income of the poorest 10 per cent, but only 1/19 of the per capita income of the developed market economies ($16130) projected for that year by DRPA under similar assumptions.

Annex Table 1: Growth of product, population and product per capita in the least developed countries, 1961-1990 a/

	1961-1990			1961-1970			1971-1980			1981-1990		
Country	GDP	Popul.	GDP/POP	GDP	Popul.	GDP/POP	GDP	Popul.	GDP/POP	GDP	Popul.	GDP/POP
Countries recording a long-term annual rate of growth of GDP of 3 per cent or more												
Botswana	9.7	3.6	6.0	9.8	2.6	6.6	10.8	3.9	6.6	9.3	3.8	5.5
Cape Verde	5.2	2.0	3.3	8.9	3.1	5.8	1.8	0.9	0.8	5.7	2.2	3.6
Lesotho	4.6	2.4	2.4	4.7	2.0	2.8	7.7	2.3	5.3	2.5	2.6	-0.2
Myanmar	4.4	2.1	2.4	5.0	2.2	2.8	4.8	2.2	2.5	3.9	1.9	2.0
Djibouti	4.3	4.2	1.1	13.5	2.4	10.6	3.2	6.9	-3.2	2.0	3.4	-1.4
Gambia	4.3	2.2	2.1	5.4	2.3	3.0	2.7	2.2	0.6	4.8	2.1	2.8
Rwanda	4.0	3.3	0.8	5.9	3.1	2.1	5.4	3.3	1.8	2.4	3.4	-0.8
Malawi	3.9	2.9	1.2	4.6	2.5	2.1	6.0	2.8	3.2	2.0	3.3	-1.1
Bangladesh	3.4	2.7	0.5	2.7	2.6	0.2	3.4	2.8	0.3	3.8	2.7	1.0
Niger	3.4	2.7	1.0	6.0	2.5	3.6	5.1	2.5	2.3	0.8	3.0	-2.2
Togo	3.2	2.8	0.9	7.9	3.0	4.8	2.2	2.4	-0.1	1.6	3.1	-1.6
U. R. of Tanzan	3.2	3.4	0.3	6.1	3.0	3.0	3.3	3.4	0.1	1.7	3.6	-1.9
Mauritania	3.0	2.8	0.6	6.6	2.4	4.0	1.5	2.7	-1.3	2.3	3.1	-0.8
Comoros	3.0	3.0	0.3	5.1	2.4	2.9	1.0	3.5	-2.3	3.3	3.1	0.3
Countries recording a long-term annual rate of growth of between 1 and 3 per cent												
Somalia	2.9	3.0	-0.3	0.7	2.1	-1.3	3.5	4.3	-0.6	3.8	2.5	1.2
Sierra Leone	2.9	1.6	1.6	6.5	1.4	5.2	4.9	1.5	3.3	-0.6	1.9	-2.4
Nepal	2.6	2.3	0.2	2.2	2.0	0.3	1.1	2.5	-1.2	4.0	2.3	1.6
Ethiopia	2.5	2.5	0.2	4.3	2.4	1.8	2.4	2.3	0.0	1.6	2.7	-1.1
Guinea-Bissau	2.3	2.2	0.3	4.1	-0.3	4.4	0.7	4.5	-3.4	2.6	2.0	0.5
Mali	2.2	2.4	-0.4	-0.0	2.1	-2.1	3.8	2.1	1.5	2.5	2.9	-0.5
Burundi	2.1	2.2	-0.6	-2.3	1.7	-4.2	2.7	1.7	0.9	4.3	2.9	1.4
Burkina Faso	1.9	2.1	-0.4	0.4	1.7	-1.5	2.4	2.0	0.4	2.4	2.6	-0.1
Uganda	1.8	3.4	-1.3	5.1	4.1	1.0	-1.0	3.0	-3.6	2.0	3.5	-1.4
Sudan	1.7	2.8	-0.7	1.9	2.2	-0.2	3.6	3.0	0.7	-0.1	2.9	-2.8
Cent. African R	1.7	2.1	-0.3	2.7	1.6	1.1	0.4	2.1	-1.6	2.1	2.4	-0.4
Benin	1.6	2.6	-0.7	2.5	1.9	0.7	1.6	2.6	-0.8	0.9	3.1	-2.1
Haiti	1.1	2.4	-1.2	0.0	2.2	-2.1	4.1	2.4	1.7	-0.6	2.6	-3.2
Guinea	1.0	2.2	-0.9	0.3	1.8	-1.3	3.8	2.1	1.6	-0.8	2.4	-3.3
Mozambique	0.5	3.0	-2.3	4.4	2.2	2.1	-0.4	4.1	-4.1	-2.1	2.8	-4.7
Countries recording a long-term negative rate of growth of GDP												
Chad	-0.2	2.1	-2.2	0.1	1.8	-1.6	-0.4	2.1	-2.2	-0.4	2.4	-3.0
Eq. Guinea	-1.0	1.9	-2.4	4.7	1.5	3.2	-9.2	1.9	-10.7	2.5	2.3	0.3
Sao Tome Princi	-1.0	2.0	-3.0	0.1	1.5	-1.5	-2.0	1.4	-3.4	-1.3	2.8	-4.4
African LDCs	2.5	2.7	-0.1	3.8	2.4	1.4	1.9	2.6	-0.6	1.8	2.9	-0.6
Asian LDCs	3.5	2.5	0.9	3.1	2.4	0.8	3.5	2.6	0.7	3.8	2.5	1.3
Least dev'd cnt	2.8	2.6	0.2	3.5	2.4	1.1	2.4	2.6	-0.2	2.4	2.7	-0.3
Dev'ing countri	4.4	2.4	1.9	5.9	2.5	3.3	4.8	2.5	2.4	2.4	2.3	0.1

Source: Office for Development Research and Policy Analysis of the United Nations Secretariat.

a/ Average annual rates of growth of gross domestic product measured in 1980 prices and exchange rates.

Annex Table 2: Indicators of levels of living for the least developed countries, 1960 and 1990

Country	GDP per capita in 1980 US dollars		Infant mortality per 1000 births		Crude birth rate per 1000		Life expectancy at birth (both sexes)		Population per physician	
	1960	1990	1960-1965	1985-1990	1960-1965	1985-1990	1960-1965	1985-1990	1960	latest yr
Countries with a forecasted per capita GDP in 1990 of $500 or more										
Botswana	296	1721	115	67	53	47	47	59	9300	9378
Djibouti	584	948	179	122	49	47	37	47	...	2196
Uganda	1277	825	125	103	49	50	44	51	15900	22291
Gambia	297	563	207	143	51	47	33	43	16000	11632
Cape Verde	182	505	135	66	44	38	48	61	8800	6353
Countries with a forecasted per capita GDP in 1990 of between $250 and $500										
Mauritania	390	472	186	127	48	46	36	46	26000	14141
Somalia	423	390	170	132	48	51	37	45	30000	12191
Togo	272	382	170	94	48	45	41	53	34000	19417
Comoros	341	375	124	80	48	46	44	52	16920	16000
Cent.African Rep	413	374	178	132	44	44	38	46	36850	22434
Sao Tome Princip	874	369	...	...	...	...	...	...	8000	2263
Niger	234	333	186	135	46	51	36	45	65000	37238
Sudan	402	317	165	108	47	45	39	50	29000	8714
Sierra Leone	161	294	215	154	48	48	32	41	22000	18284
Lesotho	126	280	145	100	43	41	43	56	26060	18657
Burundi	306	268	145	112	46	46	43	49	56320	45430
Benin	339	268	176	110	48	51	36	47	...	17500
Countries with a forecasted per capita GDP in 1990 of less than $250										
U. R. of Tanzani	200	225	143	106	52	51	42	53	...	16252
Mali	246	221	208	169	51	50	36	44	39000	26447
Myanmar	102	212	140	70	41	31	45	60	11900	4940
Guinea	286	211	202	147	48	47	34	42	19000	8100
Rwanda	163	207	142	122	51	51	43	49	62380	28071
Guinea-Bissau	182	201	183	132	41	41	37	45	20000	7306
Burkina Faso	221	199	198	138	52	47	37	47	76000	55858
Bangladesh	162	189	150	119	47	42	40	51	...	8908
Malawi	119	182	204	150	54	53	38	47	35000	47638
Haiti	259	180	188	117	43	34	44	55	11000	8200
Chad	337	172	189	132	46	44	36	46	72440	47889
Nepal	146	156	182	128	46	40	39	51	72000	28767
Eq. Guinea	311	127	183	127	41	42	37	47	5130	62000
Ethiopia	90	96	170	154	50	44	37	41	62430	72582
Mozambique	189	87	185	141	47	45	39	47	19000	33883
Other countries										
Afghanistan	...	...	211	172	53	49	34	42	...	...
Bhutan	...	...	128	182	42	39	39	48	...	...
Dem.Yemen	...	...	207	120	50	47	38	51	...	...
Laos	...	...	...	...	45	45	40	59	...	...
Yemen	...	...	207	116	49	49	38	51	...	...
African LDCs	298	285	171	129	...	...	39	47	...	...
Asian LDCs	145	191	162	117	...	...	40	51	...	...
Least Dev'd Cnts	227	241	167	124	47	45	39	49	...	...
Dev'ing Countrie	556	978	142	90	42	32	47	58	...	...

Source: Office for Development Research and Policy Analysis of the United Nations Secretariat based on U.N. World Population Prosp... 1988 and United Nations, Statistical Yearbook, various issues.

Annex Table 3. Growth of production in the major producing sectors of the least developed countries, 1961-1987 a)

Country	Gross domestic product	Agriculture	Mining and Quarrying	Manufacturing	Utilities	Construction	Services
Countries recording an annual growth rate in agriculture of 3 per cent or more							
Cape Verde	5.4	5.9	0.3	6.1	6.0	6.9	4.6
Djibouti	4.1	5.9	...	5.2	6.0	1.5	4.1
Myanmar	4.7	5.0	6.8	5.0	10.7	4.9	4.3
Rwanda	4.2	3.8	-12.4	5.6	12.0	6.3	3.9
Gambia	4.2	3.0	4.2	8.4	0.9	7.7	4.4
Malawi	4.1	3.0	...	4.5	5.8	3.6	4.8
Countries recording an annual growth rate in agriculture of between 1 and 3 per cent							
United Rep. of Tanzania	3.6	2.8	-1.3	2.8	7.6	2.9	5.2
Sierra Leone	1.8	2.6	-1.8	0.5	3.0	3.5	3.1
Comoros	3.2	2.3	...	4.3	9.8	2.8	4.1
Niger	3.1	2.3	6.9	3.3	6.7	2.6	3.5
Guinea-Bissau	2.5	2.1	...	2.5	3.6	3.9	3.1
Benin	1.9	1.8	4.8	3.0	4.8	4.4	1.3
Bangladesh	3.2	1.8	-0.5	4.9	18.2	6.0	4.3
Central African Rep.	1.6	1.6	3.9	1.7	2.8	2.4	1.5
Nepal	1.8	1.5	3.7	3.0	6.1	1.2	2.5
Somalia	2.6	1.4	0.1	5.7	5.2	3.3	3.4
Uganda	1.2	1.3	-4.9	0.2	2.7	-2.0	1.6
Countries recording an annual growth rate in agriculture of between 0 and 1 per cent							
Togo	2.4	1.0	4.4	2.3	3.6	2.8	3.1
Ethiopia	2.4	0.8	3.8	4.7	7.0	1.6	4.6
Burkina Faso	2.1	0.7	...	4.8	4.8	-1.4	3.5
Sudan	2.0	0.4	11.5	1.9	-2.8	0.5	5.5
Haiti	1.3	0.2	-2.5	2.3	6.6	5.1	2.3
Botswana	11.0	0.2	18.4	5.3	11.6	3.5	12.6
Guinea	0.8	0.1	5.7	1.0	1.1	-1.8	1.1
Countries recording a negative annual growth rate in agriculture							
Mauritania	7.7	-0.0	3.2	5.0	7.1	-0.7	4.6
Burundi	1.0	-0.1	4.9	4.3	1.8	3.5	3.4
Mali	1.9	-0.2	6.3	5.1	7.0	2.6	7.8
Lesotho	5.0	-0.3	1.4	14.4	7.1	9.4	8.6
Mozambique	0.3	-0.4	0.3	0.3	0.8	2.3	0.9
Chad	-0.6	-1.0	4.3	0.6	0.1	-4.9	-0.2
Sao Tome Principe	-0.1	-2.0	-0.8	1.1	0.0	2.6	1.5
Equatorial Guinea	-0.6	-3.4	...	-0.9	-0.5	-3.2	1.7
Least developed contr. a)	2.3	1.1	4.8	1.9	4.9	3.6	3.7
Developing countries a)	3.9	2.2	-0.2	5.2	7.9	4.2	4.8

Source: Office for Development Research and Policy Analysis of the United Nations Secretariat.

Measured in 1980 prices and exchange rates.
Basic data are in factor cost except for Bangladesh, Botswana, Lesotho, Myanmar, Rwanda and Togo.

Annex Table 4. Structure of production and labour force of the least developed countries, 1960 asnd 1987 a)

Country	Note	Agriculture		Industry					Service		Agriculture labour force	
				total		of which manufacturing						
		1960	1987	1960	1987		1960	1987	1960	1987	1960	1980
Countries with a share of manufacturing in gross domestic product of more than 10 per cent in 1987												
Mozambique		51.2	44.9	16.1	36.2		12.8	24.7	32.7	18.9	88.3	84.5
Rwanda		63.1	40.7	9.4	23.5		2.7	16.5	27.5	35.8	94.8	92.8
Haiti		44.9	33.9	17.4	23.2		13.4	15.9	37.7	42.9	79.9	70.0
Burkina Faso		56.6	47.1	13.7	17.1		8.0	14.8	29.7	35.8	90.3	86.7
Lesotho		60.4	19.2	0.0	24.8		0.0	12.7	39.6	56.0	93.4	86.2
Ethiopia		66.7	45.9	11.4	16.1		5.6	11.0	21.9	38.0	87.4	79.8
Djibouti		3.1	6.1	53.2	23.2		4.3	10.1	43.7	70.7		
Myanmar		36.6	47.8	10.7	13.3		7.8	10.1	52.7	38.9	68.4	53.0
Countries with a share of manufacturing in gross domestic product between 5 and 10 per cent in 1987												
Burundi		79.7	58.9	5.8	14.1		2.3	9.5	14.5	27.0	94.6	92.7
Sao Tome Principe		35.7	26.4	16.1	21.2		6.9	9.5	48.2	52.4		
Sudan		70.9	28.5	15.3	17.2		5.9	9.4	13.8	54.3	85.9	71.2
Chad		54.8	45.0	9.2	11.0		3.2	8.4	36.0	44.0	94.2	83.3
Togo		55.9	34.9	14.7	26.6		6.9	8.2	29.4	38.5	79.6	73.0
Somalia		44.7	37.2	16.5	20.0		2.4	8.0	38.8	42.8	82.8	75.5
Mali		85.6	54.7	6.6	15.3		2.5	7.6	7.8	30.0	91.6	85.5
Cent.African Rep.		47.8	43.1	12.6	12.9		8.4	7.1	39.6	44.0	93.4	72.4
Bangladesh		59.4	46.0	6.9	13.6		5.6	7.1	33.7	40.4	86.0	74.8
Uganda		52.1	71.8	12.5	7.6		8.7	6.7	35.4	20.6	92.5	85.9
Gambia		47.2	34.4	2.5	13.3		1.9	6.6	50.3	52.3	88.7	84.0
Guinea		73.3	33.9	6.0	24.1		2.1	6.3	20.7	42.0	89.0	80.7
Mauritania		56.2	29.6	21.3	23.5		2.6	5.4	22.5	46.9	93.0	69.3
Cape Verde		24.8	21.1	18.0	28.6		4.9	5.4	57.2	50.3	70.1	51.7
Countries with a share of manufacturing in gross domestic product of less than 5 per cent in 1987												
Eq. Guinea		65.9	45.2	9.7	10.7		2.7	4.6	24.4	44.1	82.3	65.8
U. R. of Tanzania		60.8	61.1	8.8	7.8		3.0	4.6	30.4	31.1	92.6	85.6
Botswana		51.0	4.2	22.2	56.0		11.6	4.1	26.8	39.8	91.7	70.3
Niger		66.0	48.4	11.7	17.4		4.9	4.1	22.3	34.2	96.2	91.1
Sierra Leone		37.5	41.2	28.2	15.7		5.9	4.0	34.3	43.1	81.3	69.6
Comoros		60.1	41.9	18.5	13.3		1.7	3.9	21.4	44.8	89.0	83.0
Benin		33.0	38.7	7.9	12.3		2.0	3.8	59.1	49.0	85.0	70.2
Guinea-Bi		72.2	51.7	1.9	5.2		0.7	1.4	25.9	43.1	87.2	82.3
Nepal	b	66.3	60.0	9.9	12.4		3.2	4.9	23.8	27.6	94.3	93.0
Malawi	c	57.3	37.6	12.3	20.5		7.8	14.2	30.4	41.9	93.4	83.3
Least developed countr		57.4	42.4	10.2	16.4		5.7	8.4	32.4	41.2	...	...
Developing countries		31.5	16.0	26.5	34.9		16.8	2.1	42.0	49.1	...	...

Source: Office for Development Research and Policy Analysis of the United Nations Secretariat

a) Percentage shares of major producing sectors in total gross domestic product measured in current prices and exchange rates.

Annex Table 5: Indicators of the physical productive infrastructure of the least developed countries, 1960 and latest year

Country	Transport commerc'l vehicles per 1000 population 1960	Transport commerc'l vehicles per 1000 population latest yr	Utilities inst electric'y capacity KWS/1000 population 1986	Communication telephone per 1000 population 1960	Communication telephone per 1000 population 1986
Least developed countries in Asia					
Afganistan	7.80	...	25	...	2.0 a
Bangladesh d)	10.1	38.2	13	...	1.4 b
Bhutan	...	...	13	...	1.3 c
Democratic Yemen d)	2.80	29.20	68	...	10.9 b
Kiribati	...	...	30	...	17.4 c
Lao People's Dem Rep	1.80	...	61	...	2.2 c
Maldives	...	...	21	...	14.2 a
Myanmar	18.5	51.9	15	...	1.4 b
Nepal	0.4	...	11	...	1.2 b
Samoa	...	...	...	...	38.0 b
Tuvalu	...	...	...	...	18.0
Vanuatu	...	...	...	...	24.0
Yemen	...	...	...	...	6.4 b
Least developed countries in Africa					
Benin			4	...	3.7
Botswana	0.5	23.1	...	...	18.6
Burkina Faso e)	2.0	16.3	8	...	2.3
Burundi d)	1.2	6.7	2	...	1.6
Cape Verde	0.2	0.7	15	...	7.3 b
Central African Rep.	2.3	3.8	16	0.1	2.7 c
Chad	4.8	...	6	0.1	0.9
Comoros	...	...	6	...	5.8 b
Djibouti	...	6.7	88	...	18.1
Equatorial Guinea	...	...	12	...	3.7 b
Ethiopia e)	5.1	18.2	7	0.1	2.9 a
Gambia	0.5	1.3	14	...	4.7 c
Guinea	7.8	11.3	28	0.1	1.8 b
Guinea-Bissau	...	...	8	...	5.9 b
Lesotho d)	2.0	15.2	...	...	10.3
Malawi	5.3	15.4	22	...	6.2
Mali	3.4	...	10	0.1	1.4 a
Mauritania	1.6	...	27	...	2.7 b
Mozambique	5.8	9.9	...	...	0.4
Niger	1.9	21.4	10	0.1	1.8 a
Rwanda e)	0.7	10.4	10	...	1.5
Sao Tome Principe	0.3	0.3	55	...	24.8 a
Sierra Leone	3.2	10.0	30	...	4.0 a
Somalia	3.9	...	11	...	1.1 b
Sudan	13.7	5.6	21	0.3	3.6 c
Togo	3.5	0.9	11	0.1	4.2 b
Uganda	5.2	...	10	0.2	3.7 b
United Rep. of Tanzania	9.2	50.2	19	...	4.9 a
Least developed country in Latin America and the Caribbean					
Haiti	3.7	12.4	27	0.1	7.9 a
Least dev'd cnty	...	...	16	...	2.7
Dev'ing countries	...	...	147	...	29.4

Source: Office for Development Research and Policy Analysis of the United Nations Secretariat.

a) 1987; b) 1984; c) 1985; d) 1965; e) 1961.

Annex Table 6. Human resources and skills of least developed countries, 1960 and 1990

Country	Population (millions)		Percentage of illiteracy Male		Female		Dependency Ratio		Population Density	
	1960	1990	1970	1985	1970	1985	1960	1990	1960	1990
Countries with a population in 1990 greater than 10 million										
Bangladesh	51.42	115.59	63.9	56.7	88.0	77.8	80.8	87.9	357	803
Ethiopia	24.19	46.74	91.7	43.0	99.8	46.7	88.9	93.9	20	38
Myanmar	21.75	41.68	...	...	...	...	73.3	82.8	32	62
Sudan	11.16	25.20	71.7	55.7	94.3	80.2	89.6	92.5	4	10
United Rep. of Tanzania	10.03	25.20	52.5	30.0	82.1	60.0	95.4	106.0	11	27
Nepal	9.40	19.14	77.6	61.3	97.4	88.1	80.1	84.1	67	136
Uganda	6.56	18.44	47.6	30.3	69.6	54.7	96.8	104.3	28	78
Mozambique	7.46	15.66	...	...	...	...	...	...	9	20
Afghanistan	10.78	13.62	...	...	...	...	...	...	17	21
Countries with a population in 1990 between 1 million and 10 million										
Mali	4.64	9.36	89.2	77.1	96.3	89.0	85.2	97.5	4	8
Burkina Faso	4.53	9.01	86.6	79.3	97.4	93.9	81.8	88.0	17	33
Malawi	3.53	8.43	58.5	47.8	82.5	69.2	93.4	95.1	30	71
Yemen	4.04	8.02	...	...	...	...	...	...	21	41
Somalia	2.14	7.55	...	...	...	...	83.8	101.2	3	12
Rwanda	2.74	7.23	57.0	38.8	78.8	67.3	90.7	105.5	104	275
Niger	3.23	7.11	94.5	80.6	97.9	91.4	89.3	100.5	3	6
Guinea	3.66	6.88	78.6	60.3	92.6	82.8	84.4	87.3	15	28
Haiti	3.65	6.50	73.8	59.9	83.1	64.7	78.7	75.6	131	234
Chad	3.06	5.68	80.4	59.5	92.9	89.1	76.2	86.6	.2	4
Burundi	2.93	5.45	71.1	57.2	90.2	74.3	76.8	95.9	105	196
Benin	2.25	4.74	77.3	63.3	91.6	84.3	92.3	101.2	20	42
Sierra Leone	2.24	4.15	82.3	62.2	91.9	78.7	77.0	90.7	31	58
Laos	2.18	4.07	...	...	...	...			9	17
Togo	1.51	3.46	73.1	46.5	92.9	71.5	85.2	94.4	27	61
Central African Rep.	1.61	2.91	74.2	46.7	94.1	71.4	74.5	89.0	3	5
Dem. Yemen	1.21	2.49	...	...	...	...	...	...	4	7
Mauritania	0.99	2.02	...	...	...	...	81.6	91.2	1	2
Lesotho	0.87	1.77	50.5	37.6	25.5	15.5	80.0	88.1	29	58
Bhutan	0.87	1.52	...	...	...	...	...	...	18	32
Botswana	0.48	1.29	63.1	27.4	56.0	30.5	103.6	107.7	1	2
Countries with a population in 1990 less than 1 million										
Guinea-Bissau	0.54	0.99	86.8	53.8	94.0	82.7	69.3	83.8	15	27
Gambia	0.35	0.86	84.3	64.4	94.0	84.9	74.5	88.2	31	76
Comoros	0.21	0.52	44.0	33.4	60.0	49.2	89.3	96.0	97	239
Equatorial Guinea	0.25	0.44	...	...	...	...	73.7	85.6	9	16
Djibouti	0.08	0.41	...	...	...	...	83.5	93.0	4	18
Cape Verde	0.20	0.38	55.0	38.6	75.0	61.4	91.7	83.9	50	94
Sao Tome Principe	0.06	0.10	...	...	...	...	...	...	62	104
African LDC's	102.3	224.0	...	...	...	...	87.2	96.0	...	...
Asian LDC's	101.6	209.1	...	...	...	...	80.1	83.6	...	...
Least Developed Countries	207.6	439.6	73.0	53.0	91.0	73.0	83.5	89.5	...	...
Developing countries	1413.3	2730.2	46.0	33.0	67.0	53.0	81.7	75.5	...	...

Source: Office for Development Research and Policy Analysis, based on United Nations, United Nations, World Population Prospects, 1988 and United Nations, Statistical Yearbook, various issues.

Annex Table 7. Investment and saving performance indicators for the least developed countries, 1960-1987

Country	Gross investment: Share in Gross Domestic Product 1960	Gross investment: Share in Gross Domestic Product 1987	Gross investment: Average annual change in percentage share 1961 to 1987	Gross National Saving: Share in Gross Domestic Product 1960	Gross National Saving: Share in Gross Domestic Product 1987	Gross National Saving: Average annual change in percentage share 1961 to 1987	External resources: Share in Gross Domestic Product 1960	External resources: Share in Gross Domestic Product 1987	External resources: Average annual change in percentage share 1961 to 1987
Countries which increased their dependence on external resources on average more than 1 per cent of their GDP a year									
Guinea-Bissau	12.0	16.1	0.2	-7.2	-49.2	-1.6	19.3	65.3	1.7
Djibouti	26.5	23.1	-0.1	17.4	-24.9	-1.6	9.1	48.0	1.4
U. R. of Tanzania	13.4	18.1	0.2	14.0	-14.3	-1.0	-0.6	32.3	1.2
Countries which increased their dependence on external resources on average less than 1 per cent of their GDP a year									
Eq. Guinea	13.6	14.4	0.0	37.1	12.4	-0.9	-23.4	2.0	0.9
Sudan	11.5	11.2	-0.0	15.4	-0.5	-0.6	-3.9	11.7	0.6
Sao Tome Principe	14.7	21.8	0.3	-1.0	-8.7	-0.3	15.7	30.5	0.5
Rwanda	7.7	16.6	0.3	11.3	6.4	-0.2	-3.7	10.2	0.5
Burkina Faso	5.1	2.6	-0.1	3.6	-11.9	-0.6	1.5	14.5	0.5
Haiti	8.8	15.5	0.2	9.4	4.6	-0.2	-0.6	10.9	0.4
Uganda	9.2	12.7	0.1	12.6	5.7	-0.3	-3.4	7.0	0.4
Burundi	4.0	17.4	0.5	3.2	6.3	0.1	0.8	11.1	0.4
Ethiopia	8.4	14.5	0.2	4.8	1.3	-0.1	3.6	13.2	0.4
Lesotho	1.7	38.4	1.4	-19.1	9.1	1.0	20.9	29.3	0.3
Benin	15.5	20.2	0.2	8.2	5.9	-0.1	7.2	14.2	0.3
Nepal	8.6	19.2	0.4	6.1	1.0	-0.2	2.4	9.1	0.2
Comoros	11.9	22.9	0.4	-5.3	-1.0	0.2	17.2	23.9	0.2
Cent.African Rep.	7.3	9.5	0.1	0.1	-3.6	-0.1	7.2	13.1	0.2
Bangladesh	7.2	11.8	0.2	21.3	36.7	0.6	2.2	8.1	0.2
Togo	9.8	20.7	0.4	-1.7	3.6	0.2	11.5	17.1	0.2
Niger	7.7	16.3	0.3	6.4	9.7	0.1	1.2	6.6	0.2
Chad	8.6	6.3	-0.1	2.4	-4.8	-0.3	6.2	11.1	0.2
Mali	11.0	25.7	0.5	-1.7	10.8	0.5	12.7	14.9	0.1
Somalia	12.2	13.4	0.0	5.9	6.7	0.0	6.3	6.6	0.0
Guinea	11.6	17.9	0.2	1.2	7.2	0.2	10.4	10.7	0.0
Countries which decreased their dependence on external resources									
Sierra Leone	8.2	8.8	0.0	0.9	10.7	0.4	7.3	-1.9	-0.3
Malawi	10.0	12.6	0.1	-7.0	6.5	0.5	17.0	6.1	-0.4
Myanmar	13.0	17.6	0.2	-2.8	13.1	0.6	15.7	4.6	-0.4
Gambia	21.9	20.6	0.0	-12.4	-1.8	0.4	34.3	22.4	-0.4
Mauritania	38.6	20.9	-0.7	1.3	-2.6	-0.1	37.2	23.6	-0.5
Botswana	8.4	18.3	0.4	-6.0	41.3	1.8	14.4	-23.0	-1.4
Cape Verde	26.9	25.5	-0.1	-44.0	5.6	1.8	70.9	31.1	-1.5
African LDCs	10.5	14.7	0.2	6.8	2.8	-0.1	3.6	11.8	0.3
Asian LDCs	8.8	14.1	0.2	3.1	6.9	0.1	5.6	7.2	0.1
Least dev'd cntry	9.6	14.5	0.2	5.1	4.5	-0.0	4.5	10.0	0.2
Dev'ing countries	19.1	22.8	0.1	15.8	21.0	0.2	3.3	1.8	-0.1

Source: Office for Development Research and Policy Analysis.

Annex Table 8: Growth of export volume, purchasing power of exports, and import volume of least developed countries, 1961-1

Country	1961-1970			1971-1980			1981-1987		
	Exports	Purch Power of Exports	Imports	Exports	Purch Power of Exports	Imports	Exports	Purch Power of Exports	Import
Countries recording an average annual rise in the purchasing power of their exports during 1981-1987									
Botswana	14.1	15.0	19.4	17.0	15.8	11.3	19.4	30.2	10.2
Somalia	3.2	3.9	4.1	57.2	0.3	3.4	21.0	20.2	4.0
Uganda	5.1	5.0	5.0	-8.2	-9.5	-3.1	15.7	18.1	36.1
Gambia	2.9	3.7	4.5	0.2	12.9	11.3	3.0	13.8	2.0
Equatorial Guinea	-2.8	-2.8	-2.6	-8.6	-12.1	-0.7	6.6	12.8	4.0
Comoros	5.2	5.2	7.3	-2.6	-2.8	1.8	11.6	9.7	2.3
Bangladesh	0.7	-0.6	3.3	17.1	8.7	11.8	10.7	8.3	3.7
Burkina Faso	10.2	6.3	9.0	7.0	5.3	5.5	5.6	7.3	1.1
Sierra Leone	2.2	2.4	3.3	1.9	-5.4	0.2	-4.8	6.7	-5.1
Lesotho	10.4	5.6	9.7	13.4	14.3	13.2	7.4	6.0	11.0
Rwanda	13.3	16.2	15.4	6.3	4.5	9.4	2.8	3.8	5.2
Nepal	1.3	2.4	3.0	-3.0	5.1	5.2	8.1	3.7	5.3
Benin	19.5	16.5	10.7	1.9	-1.0	3.0	-1.7	3.0	4.2
Niger	7.5	5.5	8.5	7.2	11.3	11.9	1.8	1.9	2.3
Mali	9.4	13.7	8.5	2.5	1.8	4.2	4.9	1.7	0.8
Malawi	4.7	7.4	7.0	6.6	1.9	1.7	0.7	0.9	-4.7
Burundi	4.0	5.5	5.0	-1.0	-1.4	6.2	10.7	0.4	1.4
Countries recording an average annual decline in the purchasing power of their exports during 1981-1987									
Guinea-Bissau	-3.7	-3.7	8.8	7.1	5.1	1.1	4.1	-0.5	2.0
Cape Verde	1.0	1.0	3.8	-8.2	-12.9	-5.4	4.1	-0.8	-2.6
Guinea	-2.8	1.6	4.3	10.7	10.1	1.7	4.1	-1.2	-1.6
Chad	11.1	12.8	10.7	-1.9	-4.7	-1.5	-3.1	-1.8	-7.0
Togo	12.9	14.5	11.3	6.1	3.3	6.7	-5.8	-2.3	-3.4
Myanmar	-9.6	-9.0	-6.3	4.5	10.6	0.7	-1.4	-2.8	0.7
Central African Rep.	5.6	4.2	3.9	-4.9	-4.5	0.0	1.6	-2.8	-2.1
Haiti	-0.4	-0.3	4.1	10.6	10.4	11.5	-2.1	-3.4	-2.7
Djibouti	10.9	10.9	7.3	1.4	3.1	5.6	-1.5	-3.4	2.8
United Rep.of Tanzania	6.5	4.2	7.4	-0.3	-2.4	2.2	-3.2	-4.5	-0.6
Sao Tome Principe	-10.0	-16.3	-10.2	-3.1	1.9	0.6	-3.8	-4.6	-5.8
Sudan	6.3	0.5	2.4	-0.3	-1.4	8.2	-7.8	-5.5	-6.7
Ethiopia	6.0	10.1	5.9	1.0	-3.3	-0.7	9.4	-6.3	0.5
Mozambique	12.2	11.3	11.7	-2.5	-9.2	-5.5	-11.9	-9.7	-0.3
Mauritania	14.3	13.2	3.0	-1.7	-2.6	3.9	11.0	-9.8	3.5
African LDCs	6.5	5.7	5.8	1.7	-0.7	3.6	5.4	13.0	9.2
Asian LDCs	-3.7	-4.4	-1.6	6.2	7.9	9.2	7.5	5.2	
Least dev'd cnty	4.1	3.7	4.4	2.6	1.6	4.9	5.6	11.0	7.7
Dev'ing countries	8.0	6.3	6.0	3.2	9.8	9.2	2.4	1.4	-1.6

Source: Office for Development Research and Policy Analysis of the United Nations Secretariat.